



## Strong End to Fiscal Year for the Centers of Economic Excellence Program

The Centers of Economic Excellence (CoEE) Review Board approved five new Centers of Economic Excellence and oversaw an impressive inflow of private, federal, and municipal investments in the CoEE Program as FY2006–07 drew to a close (see editorial from the Greenville News on page 2).

The CoEE Program, also known as the Endowed Chairs Program, continues to speed the growth of South Carolina's knowledge economy and raise the state's profile in fast-growing, technology-based industries. The substantial investments being made by private, federal, and municipal entities demonstrate the potential of the Centers to produce innovative and marketable technologies. Such advancements will lead to the creation of more high-skill, higher-paying jobs and increase the standard of living for South Carolina's citizens.

## Federal and Private Money Flowing into SC to Match State CoEE Dollars

As of late May, the CoEE program has hit some major milestones. Of the \$122 million in state funds that have been allocated to specific Centers (out of \$150 million total in state money that has been appropriated for the program), \$91.9 million, or 75 percent, has been matched in pledges from federal, private, or municipal sources. In addition, 50 percent of the matching money (\$63.1 million) has already been received from the federal, private, or municipal investors.

The milestones are significant because the CoEE program is designed to act as a catalyst that fuels non-state investment in South Carolina research. State funding for the program is supported by S.C. Education Lottery proceeds and every state dollar must be matched dollar-for-dollar by an industry partner, federal source, municipality, or foundation.

"South Carolina's investment in research and innovation is paying off," says Paula Harper Bethea, chair of the CoEE Review Board, which provides oversight to the program. "CoEE has been a magnet for outside investment that will help drive our economy, create higher paying jobs, and raise the standard of living in South Carolina."

More good news is that several of the Centers recently approved for state funding (June 18) had already secured private-sector match dollars in advance. For example, on May 1 Santee Cooper and the Electric Cooperatives of South Carolina announced their pledge of \$5 million to establish a Center of Economic Excellence at USC that will research eco-friendly electricity production from coal (see article on page 2). In addition, global medical devices company Smith & Nephew has already committed a major match to the Rehabilitation & Reconstruction Sciences CoEE.

## Endowed chairs will be a boon to state

***Centers of Economic Excellence may create new technologies, enhance our lives***

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State lawmakers this year made another big contribution to the state's endowed chairs program for high-tech research. Lawmakers allocated \$25 million to five projects that could provide important breakthroughs in new technology that, in turn, could boost the state's economy.

State money, derived from lottery proceeds, will be matched dollar-for-dollar by non-state money -- often from private companies with a particular interest in the research project. Each project was granted \$5 million in state money after a thorough competitive review by panels of experts.

The projects are known as a Centers of Economic Excellence and each includes one to three distinguished researchers and support staff.

One collaboration between Clemson and the Medical University of South Carolina, for instance, will focus on how health-care facilities and architecture affect efficiency, positive patient outcomes, and patient and staff satisfaction.

This is an important area of research because health-care construction in the United States is a \$46 billion industry that grew by 14.5 percent from 2006 to early 2007. The project includes two endowed chairs, one at Clemson and one at MUSC. Partners in this project include Health Sciences South Carolina and Berchtold Corp., a global company based in South Carolina.

Another project of particular interest to South

Carolina involves research into stroke. The project funds three endowed chairs at MUSC and USC. Partners include the Greenville Hospital System University Medical Center (GHS) and the Greenwood Genetics Center. South Carolina has the second highest stroke mortality rate in the nation.

A project at USC will focus on orthopedic research. It will center on new materials to improve rehabilitation and reconstruction of damaged joints and other injuries.

Another USC project includes research to reduce the harmful environmental effects of burning coal to produce electricity. Partners in the project are Santee Cooper and the Electric Cooperatives of South Carolina. This enhances USC's status as a leader in future fuels/energy research.

A MUSC project will center on tobacco-related malignancy research. It will fund two MUSC endowed chairs and will build on the growing strength of the Hollings Cancer Center, which has set aside laboratory space and will provide program funding.

Leveraging the talent at South Carolina's big universities, research from these projects could form the foundation of new industry in our state. The projects have the potential to create jobs but also -- particularly in the case of cancer and stroke research -- save lives and improve the quality of our lives. These Centers of Economic Excellence are a wise investment in our future.

## New Members Added to CoEE Review Board

Since October 2006, five new members have been appointed to the South Carolina Centers of Economic Excellence (CoEE) Review Board.

**Gregg Morton** and **Melvin Williams** were appointed by President Pro Tempore of the S.C. Senate Glenn McConnell.

**J. Lyles Glenn** and **Keith Munson** were appointed by Governor Mark Sanford.

**Patricia Wilson** was appointed by Speaker of the S.C. House of Representatives Bobby Harrell.

## CoEE Review Board Thanks S.C. Legislators

*On behalf of the numerous stakeholders in the CoEE Program, the CoEE Review Board would like to heartily thank the members of the South Carolina General Assembly for creating the CoEE Program.*

*The Program is increasing innovation and economic opportunity in South Carolina and creating a stronger future for the state. The CoEE Review Board commends the General Assembly for its leadership in supporting this vital effort.*